

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7099

BILL NUMBER: SB 436

NOTE PREPARED: Jan 5, 2013

BILL AMENDED:

SUBJECT: Mechanic's Liens.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that persons that sell or furnish on credit material, labor, services, equipment, or machinery:

- (1) for the original construction of a single or double family dwelling for the intended occupancy of the owner upon whose real estate the construction takes place, or for the original construction on, alteration to, or repair to any real estate or improvements; and
- (2) to a contractor, a subcontractor, a mechanic, or anyone other than the owner of the real estate or the owner's legal representatives; must furnish the owner of the real estate with a written notice of the provision of materials, labor, services, equipment, or machinery and the existence of lien rights.

It provides that the notice must be:

- (1) furnished to the owner; and
- (2) filed in the recorder's office of the appropriate county; not later than 10 days after the first date the materials, labor, services, equipment, or machinery is provided.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill will potentially increase the amount of fee revenue for recording liens by the county recorder. The actual impact is indeterminate.

Background: The bill adds the sale or furnishing on credit of services and equipment, and the construction, alteration, and repair of real estate to the basis of filing a mechanic's lien. These provisions could increase the number of documents filed with the recorder. However, the bill also reduces the time period for filing from 60 days to 10 days. There are no data available to indicate how these changes will affect the recording of mechanic's liens in the counties.

The fee for recording a lien is \$6 for the first page and \$2 for each additional page for document less than 8.5 x 14 inches in size, and \$15 for the first page and \$5 for each additional page of any document larger than 8.5 x 14 inches.

State Agencies Affected:

Local Agencies Affected: County recorder.

Information Sources: IC 36-2-7-10 (b)(1) and (b)(2).

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